

# **EXHIBIT “A”**

***Auto-Owners***

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79041 (04-95)  
Issued 12-07-2009INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046 (803) 358-1200INSURED NEWSOME MANAGEMENT COMPANY INC  
SEE FORM 59270ADDRESS PO BOX 1719  
HARTSVILLE SC 29551-1719**TAILORED PROTECTION POLICY DECLARATIONS**

Policy Revision Effective 10-01-2009

POLICY NUMBER 44-052-741-00

Company Use 36-46-SC-0210

Company Bill	POLICY TERM 12:01 a.m. to 12:01 a.m.
10-01-2009 10-01-2010	

This policy is amended in consideration of the additional or return premium shown below. This Declarations voids and replaces all previously issued Declarations bearing the same policy number and premium term.

**COVERAGE****TERRITORY****GARAGE LIABILITY COVERAGE****GARAGE LIABILITY COVERAGE - Limits of Insurance**

COVERAGES	LIMITS
General Aggregate (Other than Products-Completed Operations and Auto)	\$ 1,000,000
Products-Completed Operations Aggregate	\$ 1,000,000
Personal Injury and Advertising Injury	\$ 1,000,000
Damage To Premises Rented To You (Fire Damage)	\$ 50,000 any one premises
Combined Bodily Injury and Property Damage Liability	\$ 1,000,000 each occurrence
Medical Payments	\$ 5,000 each person
Combined Uninsured Motorist BI and PD	\$ 1,000,000 each occurrence
Combined Underinsured Motorist BI and PD	\$ 1,000,000 each occurrence

ITEM DETAILS: Twice the "General Aggregate Limit", shown above, is provided at no additional charge for each 12-month period in accordance with form 89700. Audit is Annual. Entity is a Corporation .

I certify that this policy was assembled from available records as a representation of coverage that was in effect for the policy period shown.

*Jennifer A. Hamilton*  
Date 1-3-12

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79041 (04-95)  
Issued 12-07-2009

AUTO-OWNERS INS. CO.

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046Company POLICY NUMBER 44-052-741-00  
Bill Company Use 36-46-SC-0210

INSURED NEWSOME MANAGEMENT COMPANY INC

Term 10-01-2009 to 10-01-2010

Location 001: 1504 S 5TH ST HARTSVILLE SC 29550-5753

## Garage Liability - DIVISION I

016  
Darlington County, SC

COVERAGES	RATE/EMP	ESTIMATED PREMIUM
Combined BI/PD Liability	\$517.85	\$13,004.00
Medical Payments	12.95	325.00
Combined Uninsured		1,775.00
Motorist BI and PD		
Combined Underinsured		2,123.00
Motorist BI and PD		86.14
TERRORISM COVERAGE		
<b>TOTAL</b>		<b>\$17,313.14</b>

Additional Forms For This Coverage: 89835 (09-05) 89852 (09-05)

ITEM DETAILS: Franchised Dealer - Automobile Sales. Full time equivalent employees - 25.1. Number of licensed vehicles - 0. Number of dealer plates - 21. Program - Garage.

## Garage Liability Coverage Package

016  
Darlington County, SC

COVERAGES	LIMITS	PREMIUM
Broad Form Products	\$ 1,000,000	each occurrence
Broad Form Completed Ops	\$ 1,000,000	each occurrence
TERRORISM COVERAGE		4.32
<b>TOTAL</b>		<b>\$867.32</b>

Additional Forms For This Coverage: 89895 (09-05)

ITEM DETAILS: A \$ 500 deductible applies to each coverage in the above coverage package separately.

***Auto-Owners***

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79041 (04-95)  
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6101 ANACAPRI BLVD., LANSING, MI 48917-3999**TAILORED PROTECTION POLICY DECLARATIONS**

Policy Revision Effective 10-01-2009

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046 (803) 358-1200

POLICY NUMBER 44-052-741-00

INSURED NEWSOME MANAGEMENT COMPANY INC  
SEE FORM 59270

Company Use 36-46-SC-0210

ADDRESS PO BOX 1719  
HARTSVILLE SC 29551-1719

Company Bill	POLICY TERM 12:01 a.m. to 12:01 a.m.
	10-01-2009 10-01-2010

This policy is amended in consideration of the additional or return premium shown below. This Declarations voids and replaces all previously issued Declarations bearing the same policy number and premium term.

**COVERAGE****TERRITORY**

Dealer's Plus Coverage Package	016 Darlington County, SC
--------------------------------	------------------------------

COVERAGES	LIMITS	PREMIUM
Security Interest E & O	\$ 300,000 each occurrence**	
Insurance Agents E & O	\$ 300,000 each occurrence**	
Truth In Lending E & O	\$ 300,000 each occurrence**	
Odometer & Prior Dmg Def	\$ 300,000 each occurrence**	
TERRORISM COVERAGE		2.70
	TOTAL	\$542.70

Additional Forms For This Coverage: 89791 (09-05)

ITEM DETAILS: A \$ 500 deductible applies to each coverage in the above coverage package separately. \*\*Subject to \$300,000 annual aggregate.

Garagekeepers Coverage - Direct Primary Coverage	016 Darlington County, SC
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COVERAGES	LIMITS	PREMIUM
Comprehensive	\$ 200,000 - \$ 500 ded.	\$541.00
Collision or Upset	\$ 200,000 - \$ 500 ded.	198.00
TERRORISM COVERAGE		3.70
	TOTAL	\$742.70

Additional Forms For This Coverage: 89898 (05-09)

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Issued 12-07-2009

AUTO-OWNERS INS. CO.

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046Company POLICY NUMBER 44-052-741-00  
Bill Company Use 36-46-SC-0210

INSURED NEWSOME MANAGEMENT COMPANY INC

Term 10-01-2009 to 10-01-2010

Location 002: 1510 S 5TH ST HARTSVILLE SC 29550-5753

## Garage Liability - DIVISION I

016  
Darlington County, SC

COVERAGES	RATE/EMP	ESTIMATED PREMIUM
Combined BI/PD Liability	\$507.29	\$27,400.00
Medical Payments	12.94	699.00
Combined Uninsured		2,958.00
Motorist BI and PD		
Combined Underinsured		3,538.00
Motorist BI and PD		
TERRORISM COVERAGE		172.98
TOTAL		\$34,767.98

Additional Forms For This Coverage: 89835 (09-05) 89852 (09-05)

ITEM DETAILS: Franchised Dealer - Automobile Sales. Full time equivalent employees - 54.0. Number of licensed vehicles - 8. Number of dealer plates - 27. Program - Garage.

## Garage Liability Coverage Package

016  
Darlington County, SC

COVERAGES	LIMITS	PREMIUM
Broad Form Products	\$ 1,000,000 each occurrence	
Broad Form Completed Ops	\$ 1,000,000 each occurrence	
TERRORISM COVERAGE		9.10
TOTAL		\$1,828.10

Additional Forms For This Coverage: 89895 (09-05)

ITEM DETAILS: A \$ 500 deductible applies to each coverage in the above coverage package separately.

***Auto-Owners***

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79041 (04-95)  
Issued 12-07-2009INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**TAILORED PROTECTION POLICY DECLARATIONS**

Policy Revision Effective 10-01-2009

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046 (803) 358-1200

POLICY NUMBER 44-052-741-00

INSURED NEWSOME MANAGEMENT COMPANY INC  
SEE FORM 59270

Company Use 36-46-SC-0210

ADDRESS PO BOX 1719  
HARTSVILLE SC 29551-1719

Company Bill	POLICY TERM 12:01 a.m. to 12:01 a.m.
10-01-2009 10-01-2010	

This policy is amended in consideration of the additional or return premium shown below. This Declarations voids and replaces all previously issued Declarations bearing the same policy number and premium term.

**COVERAGE****TERRITORY**

Dealer's Plus Coverage Package

016

Darlington County, SC

COVERAGES	LIMITS	PREMIUM
Security Interest E & O	\$ 300,000 each occurrence***	
Insurance Agents E & O	\$ 300,000 each occurrence***	
Truth In Lending E & O	\$ 300,000 each occurrence***	
Odometer & Prior Dmg Def	\$ 300,000 each occurrence***	
TERRORISM COVERAGE		5.69
		<b>TOTAL</b>
		<b>\$1,142.69</b>

Additional Forms For This Coverage: 89791 (09-05)

ITEM DETAILS: A \$ 500 deductible applies to each coverage in the above coverage package separately. \*\*Subject to \$300,000 annual aggregate.

Garagekeepers Coverage - Direct Primary Coverage

016

Darlington County, SC

COVERAGES	LIMITS	PREMIUM
Comprehensive	\$ 50,000 - \$ 500 ded.	\$182.00
Collision or Upset	\$ 50,000 - \$ 500 ded.	66.00
TERRORISM COVERAGE		1.24
		<b>TOTAL</b>
		<b>\$249.24</b>

Additional Forms For This Coverage: 89898 (05-09)

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79041 (04-95)  
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AUTO-OWNERS INS. CO.

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046Company POLICY NUMBER 44-052-741-00  
Bill Company Use 36-46-SC-0210

INSURED NEWSOME MANAGEMENT COMPANY INC

Term 10-01-2009 to 10-01-2010

TOTAL GARAGE LIABILITY PREMIUM

TERM  
\$57,453.87Forms That Apply To This Policy: 89700 (09-05) 89819 (09-05) 89723 (07-06)  
89956 (09-06)

A 4% Cumulative Multi-Policy Discount applies. Supporting policies are marked with an (X): Comm Umb(X) Comm Auto( ) WC( ) Life( ) Personal( ) Farm( ). This Garage Liability Coverage is part of Tailored Protection Policy: 024616 36052741.

A Merit Rating Plan Factor of 0.92 Applies.

**Auto-Owners**

Page 1

79042 (04-95)  
Issued 12-07-2009INSURANCE COMPANY  
6101 ANACAPRI BLVD., LANSING, MI 48917-3999**TAILORED PROTECTION POLICY DECLARATIONS**

Policy Revision Effective 10-01-2009

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046 (803) 358-1200

POLICY NUMBER 44-052-741-00

INSURED NEWSOME MANAGEMENT COMPANY INC  
DBA J & N MANAGEMENT  
NEW WAL LLC NEWSOME INC  
ADDRESS PO BOX 1719 HARTSVILLE SC 29551-1719

Company Use 36-46-SC-0210

Company Bill POLICY TERM  
12:01 a.m. 12:01 a.m.  
to  
10-01-2009 10-01-2010**This policy is amended in consideration of the additional or return premium shown below. This Declarations voids and replaces all previously issued Declarations bearing the same policy number and premium term.****COVERAGE****TERRITORY****DEALER'S BLANKET COVERAGE****Location 001: 1504 S 5TH ST HARTSVILLE SC 29550-5753**

Dealer's Blanket - Reporting Form, Annual Billing		016 Darlington County, SC	
COVERAGES	LIMITS	ESTIMATED ANNUAL PREMIUM	DEPOSIT PREMIUM
Comprehensive	ENTIRE INVENTORY* \$ 1000 ded	\$4,746.00	\$4,746.00
Collision	ENTIRE INVENTORY* \$ 1000 ded	830.00	830.00
False Pret-Flr Plan	ENTIRE INVENTORY* \$ 250 ded	1,217.00	1,217.00
TERRORISM COVERAGE		33.97	33.97
Replacement and Repairs	60%		
		<b>TOTAL</b>	<b>\$6,826.97</b>
			<b>\$6,826.97</b>

**Secured Interested Parties:** See Attached Schedule**Additional Forms For This Coverage:** 89915 (09-05)

**ITEM DETAILS:** Franchised Dealer - Automobile Sales. Entity is a Corporation . Comprehensive premium is based on reported average inventory of \$800,000. Collision premium is based on reported average inventory of \$800,000. False Pretense premium is based on a total inventory of \$800,000. Coverage for False Pretense includes floor plan inventory. Program - Garage. \* No limits apply if dealer reports are made on time and accurately.

RATING BASIS PER \$100:	INVENTORY \$0-50,000	COMPREHENSIVE 0.840	COLLISION 0.493	INVENTORY \$0-100,000	FALSE PRETENSE 0.321
	50,000-100,000	0.630	0.158	OVER 100,000	0.128
	OVER 100,000	0.573	0.072		

**NOTE: THE ABOVE RATES REFLECT THE CURRENT DEDUCTIBLES AND COVERAGES.**

I certify that this policy was assembled from available records as a representation of coverage that was in effect for the policy period shown.

*Jennifer Hamilton*  
Date 1-3-12

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79042 (04-95)  
Issued 12-07-2009

AUTO-OWNERS INS. CO.

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046Company POLICY NUMBER 44-052-741-00  
Bill Company Use 36-46-SC-0210

INSURED NEWSOME MANAGEMENT COMPANY INC

Term 10-01-2009 to 10-01-2010

Location 002: 1510 S 5TH ST HARTSVILLE SC 29550-5753

## Dealer's Blanket - Reporting Form, Annual Billing

016  
Darlington County, SC

COVERAGES	LIMITS	ESTIMATED ANNUAL PREMIUM	DEPOSIT PREMIUM
Comprehensive	ENTIRE INVENTORY* \$1000 ded	\$4,746.00	\$4,746.00
Collision	ENTIRE INVENTORY* \$1000 ded	785.00	785.00
False Pret-Fir Plan	ENTIRE INVENTORY* \$ 250 ded	1,217.00	1,217.00
TERRORISM COVERAGE		33.74	33.74
Replacement and Repairs	60%		
		TOTAL	\$6,781.74
			\$6,781.74

Secured Interested Parties: None

Additional Forms For This Coverage: 89915 (09-05)

ITEM DETAILS: Franchised Dealer - Automobile Sales. Entity is a Corporation . Comprehensive premium is based on reported average inventory of \$800,000. Collision premium is based on reported average inventory of \$800,000. False Pretense premium is based on a total inventory of \$800,000. Coverage for False Pretense includes floor plan inventory. Program - Garage. \* No limits apply if dealer reports are made on time and accurately.

RATING BASIS	INVENTORY	COMPREHENSIVE	COLLISION	INVENTORY	FALSE PRETENSE
PER \$100:					
	\$0-50,000	0.840	0.467	\$0-100,000	0.321
	50,000-100,000	0.630	0.150	OVER 100,000	0.128
	OVER 100,000	0.573	0.068		

NOTE: THE ABOVE RATES REFLECT THE CURRENT DEDUCTIBLES AND COVERAGES.

***Auto-Owners***

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AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046 (803) 358-1200

POLICY NUMBER 44-052-741-00

INSURED NEWSOME MANAGEMENT COMPANY INC  
DBA J & N MANAGEMENT  
NEW WAL LLC NEWSOME INC  
PO BOX 1719  
HARTSVILLE SC 29551-1719

Company Use 36-46-SC-0210

Company Bill POLICY TERM  
12:01 a.m. 12:01 a.m.  
to  
10-01-2009 10-01-2010This policy is amended in consideration of the additional or return premium shown below. This Declarations voids and replaces all previously issued Declarations bearing the same policy number and premium term.**COVERAGE****TERRITORY**

TOTAL DEALER'S BLANKET PREMIUM	TERM	\$13,608.71	\$13,608.71
		Deposit	

Forms That Apply To This Policy: 89707 (11-04) 89974 (11-07) 89701 (12-04)  
89767 (11-04) 89725 (07-06) 89976 (07-08)Mail Monthly Reports To: Auto-Owners Insurance Company  
COLUMBIA UNDERWRITING  
PO BOX 210979  
COLUMBIA, SC 29221-0979

A 4% Cumulative Multi-Policy Discount applies. Supporting policies are marked with an (X): Comm Umb(X) Comm Auto( ) WC( ) Life( ) Personal( ) Farm( ). This Dealer's Blanket Coverage is part of Tailored Protection Policy: 024616 36052741.

A Merit Rating Plan Factor of 0.92 Applies.

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79042 (04-95)  
Issued 12-07-2009

AUTO-OWNERS INS. CO.

AGENCY CAROLINA FIRST INSURANCE SERVICES INC  
16-0243-00 MKT TERR 046Company POLICY NUMBER 44-052-741-00  
Bill Company Use 36-46-SC-0210

INSURED NEWSOME MANAGEMENT COMPANY INC

Term 10-01-2009 to 10-01-2010

**SECURED INTERESTED PARTIES AND/OR ADDITIONAL INTERESTED PARTIES**

LOC 001  
GMAC  
PO BOX 100049  
DULUTH GA 30096-9349  
Interest: Loss Payable  
SIP ID: GA027497

**GARAGE LIABILITY**

**READ THIS CAREFULLY.** This page provides only a brief outline of some of the important features of this policy. The actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and us. **IT IS IMPORTANT THAT YOU READ THE POLICY.**

**A QUICK GUIDE TO THIS POLICY**

The GARAGE LIABILITY DECLARATIONS contain:

YOUR NAME  
POLICY TERM  
COVERAGES  
LIMITS OF INSURANCE  
ENDORSEMENTS THAT APPLY

<u>YOU WILL FIND</u>	<u>ON PAGE</u>
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## INSURING AGREEMENT

The attached Declarations describe the Coverages and Limits of Insurance for which **you** have paid a premium. In reliance upon **your** statements in the Declarations and application(s), we agree to provide insurance subject to all terms and conditions of this policy. Each coverage described in this policy applies if a limit of insurance or a premium is shown in the Declarations for that coverage. In return, **you** must pay the premium and comply with all terms and conditions of this policy.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

### **SECTION I - DEFINITIONS**

To understand this policy, **you** must understand the meaning of the following words. These words appear in **bold face type** whenever used in this policy and attached amendatory forms.

**A. Advertisement** means a notice that is broadcast or published to the general public or specific market segments about **your** goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
2. Regarding web-sites, only that part of a website that is about **your** goods, products or services for the purpose of attracting customers or supporters is considered an advertisement.

**B. Advertising injury** means injury arising out of one or more of the following offenses:

1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services in **your advertisement**;
2. Oral or written publication, in any manner, of material that violates a person's right of privacy in **your advertisement**;
3. The use of another's advertising idea in **your advertisement**; or

4. Infringing upon another's copyright, trade dress or slogan in **your advertisement**.

**C. Auto** means a land motor vehicle, **trailer** or semi-trailer including any attached machinery or equipment. But **auto** does not include **farm implement** nor **mobile equipment**.

**D. Bodily injury** means **bodily Injury**, bodily sickness, or bodily disease sustained by a person, including death resulting from any of these at any time.

**E. Coverage territory** means:

1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
2. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in E.1. above; or
3. All other parts of the world if the injury or damage arises out of:
  - a. Goods or products made or sold by **you** in the territory described in E.1. above;
  - b. The activities of a person whose home is in the territory described in E.1. above, but is away for a short time on **your** business; or
  - c. **Personal injury** or **advertising injury** offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in a suit on the merits, in the territory described in E.1. above or in a settlement to which we agree.

F. **Employee** includes a leased worker. Employee does not include a temporary worker.

G. **Executive officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

H. **Farm implement** means a land vehicle including any attached machinery, whether self-propelled or not, designed principally for use off public roads which is usual to the operation of a farm and designed for farming purposes. Farm implement includes animal drawn equipment. But farm implement does not include auto nor mobile equipment.

I. **Garage business** means the ownership, maintenance or use of premises by you as a garage operation. This may include an auto dealer, repair shop, service station, storage garage or public parking place. Unless modified in other parts of this policy, it also includes:

1. Operations necessary and incidental to the garage operation; and
2. The ownership, maintenance and use of autos as described under SECTION II - COVERAGE, COVERAGE A, 1. COVERAGE, b. Bodily Injury and Property Damage Liability (Auto)

J. 1. **Garage customer** means:

- a. Any person while using an auto owned, maintained or used in your garage business; or
- b. Any of your customers or any prospective buyer to whom an auto has been loaned or furnished by you.

2. **Garage customer** shall not include:

a. If the first named insured shown in the Declarations is an individual:

- (1) You; and
- (2) If furnished an auto for regular use by you:

- (a) Your relatives; and
- (b) Your employees, their spouses or any person who resides with an employee and who is related to such employee or his or her spouse by blood, marriage or adoption including a ward or foster child who resides with such employee.

b. If the first named insured shown in the Declarations is other than an individual and if furnished an auto for regular use by you:

- (1) Your employees, directors, stockholders, partners or members; and
- (2) Spouses or any person who resides with your employees, directors, stockholders, partners or members and who is related to such persons or their spouses by blood, marriage or adoption including a ward or foster child who resides with your employees, directors, stockholders, partners or members.

c. Any organization or other person to whom you furnish an auto for regular use.

d. Any person while using an auto furnished to any person or organization under paragraphs a., b., and c., immediately above.

However, any person under paragraphs, J.2.a.(2) and J.2.b. through d. above shall be considered a garage customer when an auto such person owns is in your care, custody or control for service or repair and you have furnished such person with an additional auto.

**K. Hostile fire** means a fire which becomes uncontrollable or breaks out from where it was intended to be.

**L. Impaired property** means tangible property, other than **your product or your work**, that cannot be used or is less useful because:

1. It incorporates **your product or your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
2. **You** have failed to fulfill the terms of a contract or agreement

if such property can be restored to use by:

1. The repair, replacement, adjustment or removal of **your product or your work**; or
2. **Your** fulfilling the terms of the contract or agreement.

**M. Insured** means any person or organization qualifying as such under **SECTION III - WHO IS AN INSURED**.

**N. Insured contract** means:

1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner is not an **insured contract**;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. An elevator maintenance agreement; or
6. That part of any other contract or agreement pertaining to **your business** (including an indemnification of a municipality) in connection

with work performed for a municipality) under which **you** assume the tort liability of another party to pay for **bodily injury or property damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **N.6.** does not include that part of any contract or agreement:

- a. That indemnifies a railroad for **bodily injury or property damage** arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (1) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- c. Under which the **insured**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **insured's** rendering or failure to render professional services, including those listed in b. immediately above and supervisory, inspection, architectural or engineering activities; or
- d. That pertains to the loan, lease or rental of an **auto** to **you**.

**O. Leased worker** means an individual leased to **you** by a labor leasing firm under an agreement between the labor leasing firm and **you**, to perform duties related to the conduct of **your garage business**. **Leased worker** does not include a **temporary worker**.

**P. Loading or unloading** means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, **watercraft** or **auto**;
2. While it is in or on an aircraft, **watercraft** or **auto**; or
3. While it is being moved from an aircraft, **watercraft** or **auto** to the place where it is finally delivered

but **loading or unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **watercraft** or **auto**.

**Q. Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, forklifts and other similar vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises **you own** or rent;
3. Vehicles that travel on crawler treads. This does not include snowmobiles;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 1., 2., 3., or 4. immediately above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building

cleaning, geophysical exploration, lighting and well servicing equipment; or

- b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not **mobile equipment** but will be considered **autos**:

- a. Equipment designed primarily for:
  - (1) Snow removal;
  - (2) Road maintenance, but not construction or resurfacing; or
  - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on **auto** or truck chassis and used to raise or lower workers; or
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

But **mobile equipment** does not include **auto** nor farm implement.

**R. Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**S. Personal injury** means other than **bodily injury** arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a

person occupies, committed by or on behalf of its owner, landlord or lessor;

4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication, in any manner, of material that violates a person's right of privacy.

T. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, liquids, gases and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

U. **Private passenger auto** means:

1. A passenger or station wagon type **auto** with four or more wheels;
2. Pickup or van type **auto** with a gross weight of 15,000 pounds or less which is not used in the business of carrying passengers for hire; or
3. A motor home.

V. **Products-completed operations hazard**:

1. Includes all **bodily injury and property damage** occurring away from premises **you** own or rent and arising out of **your product or your work** except:
  - a. Products that are still in **your** physical possession; or
  - b. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
    - (1) When all of the work called for in **your** contract has been completed.
    - (2) When all of the work to be done at the job site has been completed if **your** contract calls for work at more than one job site.

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- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

2. Does not include **bodily injury or property damage** arising out of:
  - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by **you**, and that condition was created by the **loading or unloading** of that vehicle by any **insured**;
  - b. The existence of tools, uninstalled equipment or abandoned or unused materials; or
  - c. Products or operations for which the classification, shown in the Declarations, states that products-completed operations are included.

W. **Property damage** means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the **occurrence** that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or

any other media which are used with electronically controlled equipment.

**X. Relative** means a person who resides with you and who is related to **you** by blood, marriage or adoption. **Relative** includes a ward or foster child who resides with **you**.

**Y. Residence employee** means:

1. **Your employee** whose duties are in connection with the maintenance or use of **your residence premises**, including household or domestic services; or

2. **Your employee** who performs similar duties elsewhere but not in connection with any **insured's business**.

**Z. Silica** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, **silica dust** or **silica compounds**.

**AA. Silica-related dust** means a mixture or combination of **silica** and other dust or particles.

**BB. Suit** means a civil proceeding in which damages because of **bodily injury, property damage, personal injury or advertising injury** to which this insurance applies are alleged. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which the **insured** must submit or does submit with **our consent**; or

2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **insured** submits with **our consent**.

**CC. Temporary worker** means a person who is furnished to **you** to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

**DD. Trademark** means any registered or unregistered word, name, symbol, sign, device or any combination thereof used to identify or distinguish a person's or organization's goods, products or services from those of others and to indicate or identify the origin or source of such goods, prod-

ucts or services, even if the origin or source is unknown. **Trademark** includes registered **trade dress** and **trade dress** which is used with or incorporates any trademark.

**EE. Trade dress** means the unregistered and nonfunctional distinctive packaging, appearance, image, design, color scheme or shape or combination thereof used to identify or distinguish a person's or organization's goods, products or services from those of others and to indicate or identify the origin or source of such goods, products or services, even if the source is unknown. **Trade dress** does not include:

1. Registered **trade dress**;

2. **Trademark**; or

3. **Trade dress** which is used with or incorporates any **trademark**.

**FF. Trailer** means a vehicle which is designed to be connected to and towed by an **auto**. **Trailer** includes mobile homes, modular homes, utility trailers, camping trailers and vacation trailers.

**GG. Volunteer worker** means a person who is not **your employee**, and who donates his or her work and acts at the direction of and within the scope of duties determined by **you**, and is not paid a fee, salary or other compensation by **you** or anyone else for their work performed for **you**.

**HH. Watercraft** means a conveyance capable of being used as a means of transportation on water. This does not include aircraft or hovercraft.

**II. We, us or our** means the Company providing this insurance.

**JJ. Your product:**

1. Means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) **You**;

(2) Others trading under **your name**; or

- (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

2. Includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your product; and
- b. The providing of or failure to provide warnings or instructions.

3. Does not include vending machines or other property rented to or located for the use of others but not sold.

**KK. Your work:**

1. Means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

2. Includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of your work; and
- b. The providing of or failure to provide warnings or instructions.

**LL. You or your** means the named insured shown in the Declarations and if an individual, your spouse who resides in the same household.

**SECTION II - COVERAGE****COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY****1. COVERAGE**

a. **Bodily Injury And Property Damage Liability (Other Than Auto)**

(1) We will pay those sums that you become legally obligated to pay as damages because of **bodily injury or property damage** to which this insurance applies. We will have the right and duty to defend you against any suit seeking those damages. We may at our discretion investigate any claim or occurrence and settle any claim or suit that may result. But:

- (a) The amount we will pay for damages is limited as described in **Section IV - Limits of Insurance**; and
- (b) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **bodily injury, property damage** or medical payments.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A and B**.

(2) This insurance applies to **bodily injury and property damage** only if:

- (a) The **bodily injury or property damage** is caused by an **occurrence** that takes place in the **coverage territory**;
- (b) The **bodily injury or property damage** occurs during the policy period; and
- (c) Prior to the policy period, no **insured** listed under **Section III - Who Is An Insured** - and no employee authorized by you to give

or receive notice of an occurrence or claim, knew that the **bodily injury or property damage** had occurred, in whole or in part. If such a listed insured or authorized employee knew, prior to the policy period, that the **bodily injury or property damage** occurred, then any continuation, change or resumption of such **bodily injury or property damage** during or after the policy period will be deemed to have been known prior to the policy period.

**(3) Bodily injury or property damage** will be deemed to have been known to have occurred at the earliest time when any insured listed under **Section III - Who Is An Insured** - or any employee authorized by you to give or receive notice of an occurrence or claim:

- (a) Reports all, or any part, of the **bodily injury or property damage** to us or any other insurer;
- (b) Receives a written or verbal demand or claim for damages because of the **bodily injury or property damage**; or
- (c) Becomes aware by any other means that **bodily injury or property damage** has occurred or has begun to occur.

**(4) Damages because of bodily injury** include damages claimed by any person or organization for care, loss of services or death resulting at anytime from the **bodily injury**.

**b. Bodily Injury And Property Damage Liability (Auto)**

When a premium is shown in the Declarations for:

**(1) Either DIVISION I or DIVISION II, we will pay damages for **bodily injury and property damage** for which the insured becomes legally responsible because of or arising out of an **auto or farm implement**:**

**(a) Not owned, not hired, not leased, not rented or not registered by you, any partner if you are a partnership, member if you are a limited liability company or officer if you are an organization other than a partnership, limited liability company or joint venture; and**

**(b) While used by any person in your business.**

**(2) DIVISION I, we will also pay damages for **bodily injury and property damage** for which the insured becomes legally responsible because of or arising out of:**

**(a) An auto or farm implement:**

- 1) Owned by you; or**
- 2) Leased, hired or rented by you or on your behalf with your expressed permission.**

Such **auto or farm implement** must be:

- 1) Used in your garage business; or**
- 2) Used in a business, other than your garage business, but not on a regular basis; or**
- 3) Not used in any business.**

**(b) An auto or farm implement** you do not own or lease which is not used in connection with **your business** (other than a motorcycle, moped, motor scooter, midget **auto** or go cart), when used by:

1) You;

2) Any person to whom you regularly furnish an auto or farm implement or their spouse, if a resident of the same household;

3) Your relatives not owning an auto or farm implement; or

4) Any person not owning an auto or farm implement who resides with any person shown in 1), 2) or 3) immediately above to whom you regularly furnish an auto or farm implement and who is related to such person or his or her spouse by blood, marriage or adoption including a ward or foster child who resides with such person.

to liability for bodily injury or property damage:

(a) Assumed under an insured contract, provided such bodily injury or property damage occurs after the execution of such contract. However, if the insurance under this policy does not apply to your liability, it also does not apply to such liability assumed by you under a covered contract;

(b) That you would have in the absence of a contract or agreement; or

(c) If the first named insured shown in the Declarations is an individual, assumed by you in a private passenger auto lease or rental agreement.

The occurrence must take place:

(1) In the coverage territory or Mexico; and

(2) During the policy period.

We shall settle or defend, as we consider appropriate, any claim or suit, for damages covered by this insurance. We shall do this at our expense, using attorneys of our choice. This agreement to settle or defend a claim or suit ends when we have paid the limit of our liability.

## 2. EXCLUSIONS

a. Bodily Injury And Property Damage Liability (Other Than Auto) and Bodily Injury And Property Damage Liability (Auto)

This insurance does not apply to:

(1) Bodily injury or property damage assumed under any contract or agreement. This exclusion does not apply

(2) Bodily injury or property damage however caused, arising directly or indirectly from:

(a) War, including any undeclared war or civil war;

(b) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or

(c) Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents.

(3) Any obligations that would be payable under an unemployment compensation law, workers compensation law, disability benefits law or any similar law.

(4) Damages claimed for any loss, cost or expense incurred by any person or organization or others for loss of use,

withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (a) Your product;
- (b) Your work; or
- (c) Impaired property

if such product, work, or property is removed or recalled from the market or from use because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

- (5) Any claim, suit, action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any asbestos related particles, dust, irritants, contaminants, pollutants, toxic elements or materials.
- (6) Any claim, suit, action or proceeding against any insured arising out of the discharge, dispersal, release, escape or inhalation of any silica or silica-related dust.
- (7) Bodily injury or property damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:
  - (a) The Telephone Consumer Protection Act (TCPA), including, any amendment of or addition to such law; or
  - (b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
  - (c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

(8) (a) Under any Liability Coverage, to bodily injury or property damage:

- 1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Associates of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- 2) Resulting from the hazardous properties of nuclear material and with respect to which:
  - a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
  - b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- (b) Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if:
  - 1) The nuclear material:
    - a) Is at any nuclear facility owned by, or operated by

or on behalf of, an **insured**; or

(b) Has been discharged or dispersed therefrom;

2) The **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or

3) The **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion 3) applies only to **property damage** to such **nuclear facility** and any property thereat.

**As used in this exclusion:**

**Hazardous properties** include radioactive, toxic or explosive properties;

**Nuclear material** means **source material**, **Special nuclear material** or **by-product material**;

**Source material**, **special nuclear material**, and **by-product material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; **Spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

**Waste** means any **waste material**:

(a) Containing **by-product material** other than the tailings or wastes produced by the extraction or con-

centration of uranium or thorium from any ore processed primarily for its **source material** content; and

(b) Resulting from the operation by any person or organization of any **nuclear facility** included under the first two paragraphs of the definition of **nuclear facility**.

**Nuclear facility** means:

(a) Any **nuclear reactor**;

(b) Any equipment or device designed or used for:

- 1) Separating the isotopes of uranium or plutonium;
- 2) Processing or utilizing **spent fuel**; or
- 3) Handling, processing or packaging **waste**;

(c) Any equipment or device used for the processing, fabrication or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

**Nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reac-

tion or to contain a critical mass of fissionable material.

**Property damage** includes all forms of radioactive contamination of property.

Exclusions a.(2), a.(3) and a.(4) above do not apply to damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section IV - Limits Of Insurance**.

**b. Bodily Injury And Property Damage Liability (Other Than Auto)**

This insurance does not apply to:

(1) **Bodily injury or property damage** expected or intended from the standpoint of the **insured**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.

**(2) Bodily injury to:**

- (a) An **employee** of the **insured** arising out of and in the course of employment by the **insured**; or
- (b) The spouse, child, parent, brother or sister of that **employee** as a consequence of (2)(a) above.

This exclusion applies:

- (a) Whether the **insured** may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **insured** under an **insured contract**.

(3) **Bodily injury or property damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or **watercraft** owned or operated by or rented or loaned to any **insured**. Use includes operation and **loading or unloading**.

This exclusion applies even if the claims against any **insured** alleged negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **insured**, if the **occurrence** which caused the **bodily injury or property damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **auto** or **watercraft** that is owned or operated by or rented or loaned to any **insured**.

This exclusion does not apply to:

- (a) A **watercraft** while on premises **you** own or rent;
- (b) A **watercraft** you do not own that is:
  - 1) Less than 26 feet long; and
  - 2) Not being used to carry persons or property for a charge;
- (c) Any **watercraft** while being serviced or repaired by any **insured**;
- (d) Parking an **auto** on, or on the ways next to, premises **you** own or rent, provided the **auto** is not owned by or rented or loaned to **you** or the **insured**;
- (e) Liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft or **watercraft**; or
- (f) **Bodily injury or property damage** arising out of the operation of any of the equipment listed in para-

graph 6.b. or 6.c. of the definition of mobile equipment.

**(4) Property damage to impaired property or property that has not been physically injured, arising out of:**

- (a) A defect, deficiency, inadequacy or dangerous condition in your product or your work; or**
- (b) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.**

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to your product or your work after it has been put to its intended use.

**(5) Property damage to your product arising out of it or any part of it.**

**(6) Property damage to your work arising out of it or any part of it and included in the products-completed operations hazard.**

**(7) (a) Bodily injury or property damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:**

**1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:**

**a) Bodily injury if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the**

building, or equipment that is used to heat water for personal use by the building's occupants or their guests;

- b) Bodily injury or property damage for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or**
- c) Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire;**

**2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;**

**3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:**

- a) Any insured; or**
- b) Any person or organization for whom you may be legally responsible;**

**4) At or from any premises, site or location on which any insured or any contractors or**

subcontractors working directly or indirectly on any **insured's** behalf are performing operations if the **pollutants** are brought on or to the premises, site or location in connection with such operations by such **insured**, contractor or subcontractor. However, this subparagraph does not apply to:

- a) **Bodily injury or property damage arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.** This exception does not apply if the **bodily injury or property damage** arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such **insured**, contractor or subcontractor;
- b) **Bodily injury or property damage sustained within a building at such premises, site or location and caused by the release of gases, fumes or vapors from materials brought into that**

building in connection with operations being performed by **you** or on your behalf by a contractor or subcontractor; or

- c) **Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire; or**
- 5) At or from any premises, site or location on which any **insured** or any contractors or subcontractors working directly or indirectly on any **insured's** behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**.

(b) Any loss, cost or expense arising out of any:

- 1) Request, demand, order or statutory or regulatory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or
- 2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

However, this paragraph does not apply to liability for damages because of covered **property damage** that the **insured** would have in the absence of such request, demand,

order or statutory or regulatory requirement, or such claim or suit by or on behalf of a governmental authority.

**(8) Bodily injury or property damage arising out of:**

- (a) The transportation of mobile equipment by an auto owned or operated by or rented or loaned to any insured; or
- (b) The use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**(9) Property damage to:**

- (a) Property you own, rent, occupy or use, including any cost or expense incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

**(b) Property that any of your:**

- 1) Employees;
- 2) Volunteer workers;
- 3) Partners or members (if you are a partnership or joint venture); or
- 4) Members (if you are a limited liability company)

own, rent, occupy or use. However, this exclusion (9)(b), shall not apply to your liability for damage to such property;

(c) Premises you sell, give away or abandon, if the property damage arises out of any part of those premises;

(d) Property loaned to you;

(e) Personal property in the care, custody or control of, or over which physical control is being exercised for any purpose by any insured;

(f) That particular part of real property on which any insured or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the property damage arises out of those operations; or

(g) That particular part of any property that must be restored, repaired or replaced because your work was incorrectly performed on it.

Paragraphs (a), (b), (d) and (e) of this exclusion do not apply to property damage (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section IV - Limits Of Insurance.

Paragraph (c) of this exclusion does not apply if the premises are your work and were never occupied, rented or held for rental by you.

Paragraphs (d), (e), (f) and (g) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (g) of this exclusion does not apply to property damage included

in the products-completed operations hazard.

**(10) Bodily injury to:**

(a) A person arising out of any:

- 1) Refusal to employ a person;
- 2) Termination of a person's employment;
- 3) Employment-related practice, policy, act or omission, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person; or
- 4) Criminal or civil action brought against a person by or at the direction of the insured directly or indirectly related to any offense described in 1), 2), or 3) immediately above; or

(b) Anyone as a consequence of **bodily injury** to a person at whom any of the employment-related practices described in Paragraphs 1), 2), 3), or 4) immediately above is directed.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity;
- (b) Whether the offense is alleged to arise out of the employment during the course or scope of employment, outside the course or scope of employment or after termination of employment;
- (c) Whether directly or indirectly related to a person's prospective, current or past employment; and

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(d) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**(11) Bodily Injury arising out of or resulting from the transmission of any communicable disease by any insured.**

**(12) Bodily injury arising out of personal injury or advertising injury.**

**(13) Bodily injury or property damage for which any insured may be held liable by reason of:**

- (a) Causing or contributing to the intoxication of any person;
- (b) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (c) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if **you** are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**(14) Bodily injury or property damage arising out of the ownership, maintenance, use, loading or unloading of any aircraft not owned by, not leased to or not rented to any insured.**

Exclusions b.(2) through b.(9), b.(13) and b.(14) do not apply to damage by fire to premises while rented to **you** or temporarily occupied by **you** with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section IV - Limits Of Insurance**.

**c. Bodily Injury And Property Damage Liability (Auto)**

This insurance does not apply to:

**(1) Any auto:**

(a) Either owned by or furnished, by other than **you**, for the regular use of:

- 1) A person described in **SECTION II - COVERAGE, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. COVERAGE, b.(2)(b)1 through 4;** or
- 2) A member of the household of a person described in **SECTION II - COVERAGE, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. COVERAGE, b.(2)(b)1 through 4)** other than a private chauffeur or domestic servant; or
- (b) Used in the business or occupation of a person described in **SECTION II - COVERAGE, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 1. COVERAGE, b.(2)(b)1 through 4)** other than **your garage business**, and is other than a private passenger auto occupied by such person.

**(2) Bodily injury or property damage expected or intended by any Insured.** This exclusion applies even if the **bodily injury or property damage** is of a different kind or degree, or is sustained by a different person or property, than that expected or intended. This exclusion does not apply to an **insured** for acts committed by any other person or organization without such **insured's** knowledge or direction.

**(3) Bodily injury to your employee arising out of and in the course of employment by you including a loss or claim by the spouse, child, parent, brother or sister of your employee as a consequence of such bodily injury.**

**(a) This exclusion applies:**

- 1) Whether **you** may be liable as an employer or in any other capacity; or
- 2) To any obligation to share damages with or repay another who must pay damages because of the **bodily injury**.

**(b) This exclusion does not apply to bodily injury to a residence employee when:**

- 1) You have assumed liability under an **insured contract**.
- 2) Workers compensation benefits are not required or available.

**(4) Bodily injury or property damage while preparing for, practicing for or participating in any prearranged racing, speed, stunting activity, pulling contest or demolition contest.**

**(5) Bodily injury or property damage to any auto while being used as a public or livery vehicle or for carrying property of others for a charge.**

**(6) Bodily injury or property damage arising out of the ownership, maintenance, operation, use, **loading or unloading** of any auto rented or leased to others. This exclusion shall not apply to an **auto**, rented or leased to others:**

**(a) If rented or leased by **you** to a salesperson for use principally in **your garage business**;**

(b) In **your** custody for pick up, delivery, service or repair in connection with such rental or lease; or

(c) If rented by **you** to a **garage customer** while such **garage customer's auto** is in **your** custody for service or repair.

(7) **Bodily injury or property damage** arising out of the ownership, maintenance, operation, use, **loading or unloading** of any **auto**, possession of which **you** have transferred to another under an agreement of sale. This does not apply to **your** liability.

(8) **Property damage:**

- (a) To any **auto** in **your** care, custody or control; or
- (b) To property while being transported by **you** or while in **your** care, custody or control during transportation.

This exclusion shall not apply:

- (a) To liability **you** assumed under a sidetrack agreement;
- (b) To **property damage** caused by an **auto** servicing hoist designed to raise the entire **auto**; nor
- (c) To an **auto**, freight or passenger elevator.

(9) (a) **Bodily injury or property damage** resulting from the actual, alleged or threatened discharge, release, escape, seepage, migration, or dispersal of **pollutants**:

- 1) That are, or are contained in any property that is:
  - a) Being transported or towed by, handled or prepared for placement into or upon, or taken from the **auto**;
  - b) Otherwise in the course of transit by an **insured** or on behalf of an **insured**; or
  - c) Being disposed of, stored, treated or processed into or upon the **auto**;
- 2) Before such **pollutants** or property containing **pollutants** are moved from the place they are accepted by an **insured** or anyone acting on behalf of an **insured** or placement into or onto the **auto**; or
- 3) After such **pollutants** or property containing **pollutants** are removed from the **auto** to where they are delivered, disposed of or abandoned by an **insured** or anyone acting on behalf of an **insured**.

1)a) above does not apply to **pollutants** that are needed or result from the normal mechanical, electrical or hydraulic functioning of the **auto** or its parts, if the discharge, release, escape, seepage, migration or dispersal of such **pollutants** is directly from a part of the **auto** designed to hold, store, receive or dispose of such **pollutants** by the **auto** manufacturer.

1)b) and 1)c) above do not apply, if as a direct result of the maintenance or use of the **auto**, **pollutants** or property containing **pollutants** which are not in or upon the **auto**, are upset, overturned or damaged at any premises, site or location not owned by or leased to **you**. The discharge, release, escape, seepage, migration or dispersal of the **pollutants** must be

directly caused by such upset, overturn or damage.

**(10) Bodily injury or property damage** arising out of a **farm implement** while being used for farming purposes.

## COVERAGE B - PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

### 1. COVERAGE

a. We will pay those sums that **you** become legally obligated to pay as damages because of **personal injury or advertising injury** to which this insurance applies. We will have the right and duty to defend **you** against any **suit** seeking those damages. We may at our discretion investigate any claim or offense and settle any claim or **suit** that may result. But:

(1) The amount we will pay for damages is limited as described in **Section IV - Limits Of Insurance**; and

(2) Our right and duty to defend will end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **Coverages A, B or C**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A and B**.

b. This insurance applies to **personal injury** and **advertising injury** only if:

(1) The **personal injury or advertising injury** is caused by an offense arising out of **your business**; and

(2) The offense causing the **personal injury or advertising injury** was committed in the **coverage territory** during the policy period.

### 2. EXCLUSIONS

This insurance does not apply to **personal injury or advertising injury**:

- a. Caused by or at the direction of any **insured** with the knowledge that the act would violate the rights of another and would inflict **personal injury**.
- b. Expected or intended by any **insured**. This exclusion b., does not apply to **personal injury**.
- c. Arising out of oral or written publication of material, if done by or at **your direction** with knowledge of its falsity.
- d. Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.
- e. Arising out of a criminal act or violation of a penal statute or ordinance committed by **you** or at **your direction**.
- f. For which **you** have assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that **you** would have in the absence of the contract or agreement.
- g. Arising out of a breach of contract, except an implied contract to use another's advertising idea in **your advertisement**.
- h. Arising out of the failure of goods, products or services to conform with any statement or representation of quality or performance made in **your advertisement**.
- i. Arising out of the wrong description of the price of goods, products or services.
- j. Arising out of the infringement of copyright, patent, **trademark**, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in **your advertisement** of copyright, **trade dress** or slogan.

k. Committed by **you**, and your business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to **S. 1., 2. and 3. of personal injury under Section I - Definitions.**

For the purposes of k.(1) of this exclusion, the placing of frames, borders, links, or advertising, for **you** or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

l. Arising out of an electronic chatroom or bulletin board **you** host, own, or over which **you** exercise control for any purpose.

m. Arising out of the unauthorized use of another's name or product in **your** e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

n. (1) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time.

(2) For any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; or

(b) Claim or suit by or on behalf of a governmental authority for dam-

ages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

o. (1) Arising out of any:

- (a) Refusal to employ a person;
- (b) Termination of a person's employment;
- (c) Employment-related practice, policy, act or omission, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person; or
- (d) Criminal or civil action brought against a person by or at the direction of the **insured** directly or indirectly related to any offense described in (a), (b), or (c) immediately above; or

(2) To anyone as a consequence of **personal injury or advertising injury** to a person at whom any of the employment-related practices described in (a), (b), (c), or (d) immediately above is directed.

This exclusion applies:

- (a) Whether **you** may be liable as an employer or in any other capacity;
- (b) Whether the offense is alleged to arise out of the employment during the course or scope of employment, outside the course or scope of employment or after termination of employment;
- (c) Whether directly or indirectly related to a person's prospective, current or past employment; and

- (d) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- p. For any claim, **suit**, action or proceeding against any **insured** arising out of the discharge, dispersal, release, escape or inhalation of any asbestos related particles, dust, irritants, contaminants, **pollutants**, toxic elements or materials.
- q. Arising out of or resulting from the transmission of any communicable disease by any **insured**.
- r. However, caused, arising directly or indirectly, out of:
  - (1) War, including undeclared or civil war;
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- s. Any claim, **suit**, action or proceeding against any **insured** arising out of the discharge, dispersal, release, escape or inhalation of any **silica** or **silica-related dust**.
- t. Arising directly or indirectly out of any action or omission that violates or is alleged to violate:
  - (1) The Telephone Consumer Protection Act (TCPA), including, any amendment of or addition to such law; or
  - (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

## **COVERAGE C - MEDICAL PAYMENTS**

### **1. COVERAGE**

- a. We will pay medical expenses as described below for **bodily injury** caused by an accident:
  - (1) On premises **you** own or rent;
  - (2) On ways next to premises **you** own or rent; or
  - (3) Because of **your** operations

provided that:

  - (1) The accident takes place in the **coverage territory** and during the policy period;
  - (2) The expenses are incurred and reported to **us** within one year of the date of the accident; and
  - (3) The injured person submits to examination, at **our** expense, by physicians of **our** choice as often as **we** reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

## 2. EXCLUSIONS

This insurance does not apply to bodily injury:

- (a) To any insured, except volunteer workers.
- (b) To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- (c) To a person injured on that part of premises you own or rent that the person normally occupies.
- (d) To a person, whether or not an employee of any insured, if benefits for the bodily injury are payable or must be provided under a workers compensation or disability benefit law or a similar law.
- (e) To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletics contests.
- (f) Included within the products-completed operations hazard.
- (g) Excluded under Coverage A, 2. EXCLUSIONS, a. Bodily Injury And Property Damage Liability (Other Than Auto) and Bodily Injury And Property Damage Liability (Auto).
- (h) Excluded under Coverage A, 2. EXCLUSIONS, b. Bodily Injury And Property Damage Liability (Other Than Auto). This exclusion does not apply to any person while occupying or through being struck by an auto located, operated or occupied on the premises described in the Declarations.
- (i) Any person while occupying or through being struck by an auto, farm implement or mobile equipment away from the premises described in the Declarations.

## SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

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If Coverage A or B apply, we will pay, with respect to any claim we investigate or settle, or any suit against an insured we defend:

1. All expenses we incur.
2. Up to \$2,000 for premiums on bail bonds required because of accidents or traffic law violations arising out of the use of any auto to which the Bodily Injury Liability Coverage applies. We have no obligation to apply for or furnish these bonds.
3. Premiums on appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We have no obligation to apply for or furnish these bonds.
4. All reasonable expenses incurred by the insured at our request including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the suit.
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

## FINANCIAL RESPONSIBILITY AND COMPULSORY INSURANCE LAWS

While an auto to which this insurance applies is subject to laws of another state or Canada, we will:

1. Increase the limit of insurance for Liability Coverage to comply with the minimum re-